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10/770,131	02/03/2004	Mamoud Sadre		9410
7590 08/18/2010				
Mamoud Sadre 165 Tremont Street Suite 203 Boston, MA 02111			EXAMINER VEZERIS, JAMES A	
			ART UNIT 3693	PAPER NUMBER
			MAIL DATE 08/18/2010	DELIVERY MODE PAPER

**Please find below and/or attached an Office communication concerning this application or proceeding.**

The time period for reply, if any, is set in the attached communication.

### Office Action Summary

**Application No.**

10/770,131

**Applicant(s)**

SADRE, MAMOUD

**Examiner**

JAMES A. VEZERIS

**Art Unit**

3693

-- The MAILING DATE of this communication appears on the cover sheet with the correspondence address --  
**Period for Reply**

A SHORTENED STATUTORY PERIOD FOR REPLY IS SET TO EXPIRE 3 MONTH(S) OR THIRTY (30) DAYS, WHICHEVER IS LONGER, FROM THE MAILING DATE OF THIS COMMUNICATION.

- Extensions of time may be available under the provisions of 37 CFR 1.136(a). In no event, however, may a reply be timely filed after SIX (6) MONTHS from the mailing date of this communication.
- If NO period for reply is specified above, the maximum statutory period will apply and will expire SIX (6) MONTHS from the mailing date of this communication.
- Failure to reply within the set or extended period for reply will, by statute, cause the application to become ABANDONED (35 U.S.C. § 133). Any reply received by the Office later than three months after the mailing date of this communication, even if timely filed, may reduce any earned patent term adjustment. See 37 CFR 1.704(b).

**Status**

- 1) ☒ Responsive to communication(s) filed on 01 June 2010.  
2a) ☐ This action is **FINAL**. 2b) ☒ This action is non-final.  
3) ☐ Since this application is in condition for allowance except for formal matters, prosecution as to the merits is closed in accordance with the practice under *Ex parte Quayle*, 1935 C.D. 11, 453 O.G. 213.

**Disposition of Claims**

- 4) ☒ Claim(s) 1-18 is/are pending in the application.  
4a) Of the above claim(s) \_\_\_\_\_ is/are withdrawn from consideration.  
5) ☐ Claim(s) \_\_\_\_\_ is/are allowed.  
6) ☒ Claim(s) 1-18 is/are rejected.  
7) ☐ Claim(s) \_\_\_\_\_ is/are objected to.  
8) ☐ Claim(s) \_\_\_\_\_ are subject to restriction and/or election requirement.

**Application Papers**

- 9) ☐ The specification is objected to by the Examiner.  
10) ☒ The drawing(s) filed on 01 June 2010 is/are: a) ☒ accepted or b) ☐ objected to by the Examiner.  
Applicant may not request that any objection to the drawing(s) be held in abeyance. See 37 CFR 1.85(a).  
Replacement drawing sheet(s) including the correction is required if the drawing(s) is objected to. See 37 CFR 1.121(d).  
11) ☐ The oath or declaration is objected to by the Examiner. Note the attached Office Action or form PTO-152.

**Priority under 35 U.S.C. § 119**

- 12) ☐ Acknowledgment is made of a claim for foreign priority under 35 U.S.C. § 119(a)-(d) or (f).  
a) ☐ All b) ☐ Some \* c) ☐ None of:  
1. ☐ Certified copies of the priority documents have been received.  
2. ☐ Certified copies of the priority documents have been received in Application No. \_\_\_\_\_.  
3. ☐ Copies of the certified copies of the priority documents have been received in this National Stage application from the International Bureau (PCT Rule 17.2(a)).

\* See the attached detailed Office action for a list of the certified copies not received.

**Attachment(s)**

- 1) ☒ Notice of References Cited (PTO-892)  
2) ☐ Notice of Draftsperson's Patent Drawing Review (PTO-948)  
3) ☐ Information Disclosure Statement(s) (PTO/SB/22)  
4) ☐ Interview Summary (PTO-413)  
5) ☐ Notice of Informal Patent Application  
6) ☐ Other: \_\_\_\_\_  
Paper No(s)/Mail Date \_\_\_\_\_

### **Detailed Action**

#### **Pre-Exam Formalities**

1. Examiner notes that applicant's cross reference for CIP status to application 09/640,272, filed 8/17/2000, is allowed. Examiner further notes that application 09/640,272 was abandoned on 10/16/2003 and not 6/16/2003 as the file wrapper currently shows.
2. Claims 10 and 14 are cancelled.
3. Claims 1-9, 11-13 and 15-18 are amended.
4. Claims 1-9, 11-13 and 15-18 are currently pending.

#### **Specification**

5. Examiner acknowledges the amendments to the specification including the drawings, drawing explanations, and the cross reference. Examiner notes that applicant has failed to file a clean copy of the specification and requires applicant to include a clean copy in the response to this action.
6. The lengthy specification has not been checked to the extent necessary to determine the presence of all possible minor errors. Applicant's cooperation is requested in correcting any errors of which applicant may become aware in the specification.

#### **Claim Objections**

7. Claims 1-9, 11-13 and 15-18 are objected to because of the following informalities: All claim have various spelling and grammatical errors. Examples include: Claim 1 "generating a physical delivery receipt against cash settlement" Claim 2 "required funds for a customer's pending match" Claim 3 "for the purpose of Node-to-Node." Issues such as these appear in all other claims and Examiner request applicant's assistance in correction. Appropriate correction is required.

**Claim Rejections- 35 U.S.C. 112 2<sup>nd</sup> Paragraph**

8. Claims 1-9, 11-13 and 15-18 are rejected under 35 U.S.C. 112, second paragraph, as being indefinite for failing to particularly point out and distinctly claim the subject matter which applicant regards as the invention.

9. Claim 1 recites the limitation "an electronic processor for fund movement between Fiduciary and Escrow accounts bi-directionally at each Node" in step b. There is insufficient antecedent basis for this limitation in the claim. Examiner notes fiduciary and escrow accounts are created in step a. As such step b should recite "said fiduciary and escrow accounts." Further Examiner notes claim 1 discusses Nodes but does not state if the Nodes are the same. As such Examiner will review the claims as if the Nodes are the same throughout. Applicant is requested to put "said" before Nodes that have already been mentioned (e.g. Step C: "an electronic intelligent hub for matching orders among different said Nodes.")

10. Claims 2-9, 11-13 and 15-18 present numerous other antecedent issues that applicant must address. As time constraints limit Examiner from listing them all Examiner hopes applicant will thoroughly review claims to insure they are in good form.
11. Claims 2-9, 11-13 and 15-18 are further rejected for failing to properly depend from claim 1. As it stands the claims state, "System of claim X" instead of "The System of claim X" as is required for antecedent basis and proper dependent form.
12. Claim 17 is rejected for failing to define what "MT 103" and "MT 940" stand for. Applicant must spell out any abbreviations.

#### **Claim Rejections- 35 U.S.C. 103(a)**

13. The following is a quotation of 35 U.S.C. 103(a) which forms the basis for all obviousness rejections set forth in this Office action:

(a) A patent may not be obtained though the invention is not identically disclosed or described as set forth in section 102 of this title, if the differences between the subject matter sought to be patented and the prior art are such that the subject matter as a whole would have been obvious at the time the invention was made to a person having ordinary skill in the art to which said subject matter pertains. Patentability shall not be negated by the manner in which the invention was made.

14. Claims 1-9, 11-13 and 16 are rejected under 35 U.S.C. 103(a) as being unpatentable over US Patent 6,493,683 to David et al. (Hereinafter "David") in view of US Patent 6,912,510 to Shepherd. (Hereinafter "Shepherd")

#### **Regarding Claim 1.**

David teaches:

- a) Fiduciary and electronic Escrow accounts at each Node; (See Column 2 and 3 Lines 64-10 The funds are taken from a fiduciary account and moved to the escrow account. Further see Columns 5-6 Lines 60-5)

b) an electronic processor for fund movement between Fiduciary and Escrow accounts bi-directionally at each Node; (See Column 2 and 3 Lines 64-10 The funds are taken from a fiduciary account and moved to the escrow account. Further See Column 8 Lines 57-65 where applicant settles funds. Further see Columns 5-6 Lines 60-5))

c) an electronic intelligent hub for matching orders among different Nodes (See Columns 7-8 Lines 66-5)

d) an electronic processor for fund movement from Fiduciary account of one Node to another for financial clearing; (See Column 2 and 3 Lines 64-10 The funds are taken from a fiduciary account and moved to the escrow account. Further See Column 8 Lines 57-65 where applicant settles funds. Further see Columns 5-6 Lines 60-5))

David fails to teach:

e) a price matching engine in selected base currency;

f) a system providing daily cash settlement for financial reporting;

g) an electronic processor for reporting daily account statement marked-to-market;

h) an electronic processor for generating physical delivery receipt against cash settlement.

Shepherd teaches:

e) a price matching engine in selected base currency; (See Shepherd Column 26-27 Lines 64-11)

f) a system providing daily cash settlement for financial reporting; (See Shepherd Column 29 Lines 40-56)

g) an electronic processor for reporting daily account statement marked-to-market; (See Shepherd Column 29 Lines 40-56)

h) an electronic processor for generating physical delivery receipt against cash settlement. (See Shepherd Column 34 Lines 65-67)

It would have been obvious to one of ordinary skill in the art to include a price matching engine in selected base currency, daily cash settlement for financial reporting, generating physical delivery receipt against cash settlement, and reporting daily account statement marked-to-market as taught by Shepherd in the system of David since the claimed invention is merely a combination of old elements, and in the combination each element merely would have performed the same function as it did separately, and one of ordinary skill in the art would have recognized that the results of the combination were predictable.

There is motivation to do so as it leads to the saving of money.

**Regarding Claim 2.**

David further teaches wherein the required funds for customer's pending match will be blocked from said Fiduciary account by creating a fiduciary and a virtual accounts as a component of financial transaction until a match is made or the order is canceled. (See Column 7 Lines 30-35)

**Regarding Claim 3.**

David fails to further teach wherein said Fiduciary account holds local currency and at least one foreign currency as base currency in a given Node, for purpose of Node-to-Node financial transaction.

Shepherd teaches wherein said Fiduciary account holds local currency and at least one foreign currency as base currency in a given Node, for purpose of Node-to-Node financial transaction. (See Column 40 Lines 26-54)

**Regarding Claim 4.**

David further teaches, wherein said blocked funds from Fiduciary account are moved to Escrow account in base currency after a match is made, clearing the financial transaction. (See Column 7 Lines 30-35)

**Regarding Claim 5.**

David further teaches wherein a daily price adjustment to the blocked funds in said Escrow account is made reflecting marked-to-market cash value of transaction for settlement purpose of open orders, not yet fulfilled. (See Column 7 Lines 30-35 and 56-65)

**Regarding Claim 6.**

David further teaches wherein said marked-to-market pricing triggers movement of funds between Fiduciary and Escrow account to make the necessary adjustment by adding funds or withdrawal of excess funds. (See Column 7 Lines 30-35 and 56-65)

**Regarding Claim 7.**

David further teaches wherein the net amount retained in Escrow account resulting from said movement of funds between Fiduciary and Escrow account constitute daily cash settlement required for avoiding liquidation of order. (See Column 7 Lines 30-35 and 56-65)

**Regarding Claim 8.**



David further teaches wherein, designated bonded warehouses are utilized for said physical delivery settlement to guarantee availability of goods..(Column 2 Lines 13-28)

**Regarding Claim 9.**

David further teaches physical delivery settlement is made by, exchanging said bonded warehouse digital receipt of goods with electronic fund transfer from Fiduciary account, constituting electronic cash on delivery, COD. (See Column 8 Lines 15-24)

**Regarding Claim 11.**

David further teaches said financial clearing between two Nodes is accomplished by transferring fund from Fiduciary account of one Node to Fiduciary account of another Node in base currency, constituting Node-to- Node matching guaranteed transaction. (See Column 8 Lines 15-24)

**Regarding Claim 12.**

David further teaches wherein said transferred fund is moved to Escrow account of the Node that the match is made, constituting Node-to-Node financial clearing. (See Column 2 and 3 Lines 64-10 The funds are taken from a fiduciary account and moved to the escrow account. Further See Column 8 Lines 57-65 where applicant settles funds. Further see Columns 5-6 Lines 60-5))

**Regarding Claim 13.**

David further teaches said transferred fund to Escrow account constitutes the additional fund required to complete settlement process in the Node that match was made, guaranteeing last transaction. (See Column 2 and 3 Lines 64-10 The funds are

taken from a fiduciary account and moved to the escrow account. Further See Column 8 Lines 57-65 where applicant settles funds. Further see Columns 5-6 Lines 60-5)

**Regarding Claim 16.**

David fails to further teach wherein said banking payment system includes the Automatic Clearing House(ACH) format and Rules utilization whenever Fiduciary account in a Node communicates with Federal Reserve Automatic Clearing House directly, or via the National Clearinghouses in North America.

Shepherd teaches wherein said banking payment system includes the Automatic Clearing House(ACH) format and Rules utilization whenever Fiduciary account in a Node communicates with Federal Reserve Automatic Clearing House directly, or via the National Clearinghouses in North America. (See Shepherd Column 37 Lines 20-31)

It would have been obvious to one of ordinary skill in the art to include banking payment system includes the Automatic Clearing House(ACH) format and Rules utilization whenever Fiduciary account in a Node communicates with Federal Reserve Automatic Clearing House directly, or via the National Clearinghouses in North America as taught by Shepherd in the system of David since the claimed invention is merely a combination of old elements, and in the combination each element merely would have performed the same function as it did separately, and one of ordinary skill in the art would have recognized that the results of the combination were predictable.

There is motivation to do so as it leads to the saving of money.

15. Claims 15, 17 and 18 are rejected under 35 U.S.C. 103(a) as being unpatentable over David in view of Shepherd in view of Official Notice.

**Regarding Claim 15.**

David fails to teach the time period for daily settlement reflects the time T representing execution of the trade to T+ 1 representing settlement date plus time zone difference which includes International Date Line. constituting a Node-to-Node clearing cycle.

Official Notice is taken that it is old and well known in the art the time period for daily settlement reflects the time T representing execution of the trade to T+ 1 representing settlement date plus time zone difference which includes International Date Line. constituting a Node-to-Node clearing cycle.

It would have been obvious to one of ordinary skill in the art to include the time period for daily settlement reflects the time T representing execution of the trade to T+ 1 representing settlement date plus time zone difference which includes International Date Line. constituting a Node-to-Node clearing cycle as taught by Shepherd in the system of David since the claimed invention is merely a combination of old elements, and in the combination each element merely would have performed the same function as it did separately, and one of ordinary skill in the art would have recognized that the results of the combination were predictable.

There is motivation to do so as it leads to the saving of money.

**Regarding Claim 17.**

David fails to teach wherein Society of Worldwide Interbank Financial Transaction (SWIFT) protocols MT 103 format for payments system and MT 940 format for messaging, that is, daily account statement outside North America to communicate with Fiduciary\_accounts of Nodes executing electronic fund transfer between any two Nodes in different locations for financial clearing and settlement.

Official Notice is taken that it is old and well know in the art wherein Society of Worldwide Interbank Financial Transaction (SWIFT) protocols MT 103 format for payments system and MT 940 format for messaging, that is, daily account statement outside North America to communicate with Fiduciary\_accounts of Nodes executing electronic fund transfer between any two Nodes in different locations for financial clearing and settlement.

It would have been obvious to one of ordinary skill in the art to include the Society of Worldwide Interbank Financial Transaction (SWIFT) protocols MT 103 format for payments system and MT 940 format for messaging, that is, daily account statement outside North America to communicate with Fiduciary\_accounts of Nodes executing electronic fund transfer between any two Nodes in different locations for financial clearing and settlement as taught by Shepherd in the system of David since the claimed invention is merely a combination of old elements, and in the combination each element merely would have performed the same function as it did separately, and one of ordinary skill in the art would have recognized that the results of the combination were predictable.

There is motivation to do so as it leads to the saving of money.

**Regarding Claim 18.**

David fails to teach wherein the payments in foreign currency are interbank currency exchange rates at noon time, Eastern Standard Time, captured for daily currency translation of funds for the purpose of moving funds between Fiduciary account and Escrow account at the end of each trading day for settlement purposes.

Official Notice is taken that it is old and well know in the art wherein the payments in foreign currency are interbank currency exchange rates at noon time, Eastern Standard Time, captured for daily currency translation of funds for the purpose of moving funds between Fiduciary account and Escrow account at the end of each trading day for settlement purposes.

It would have been obvious to one of ordinary skill in the art to include the payments in foreign currency are interbank currency exchange rates at noon time, Eastern Standard Time, captured for daily currency translation of funds for the purpose of moving funds between Fiduciary account and Escrow account at the end of each trading day for settlement purposes by Shepherd in the system of David since the claimed invention is merely a combination of old elements, and in the combination each element merely would have performed the same function as it did separately, and one of ordinary skill in the art would have recognized that the results of the combination were predictable.

There is motivation to do so as it leads to the saving of money.

### **Conclusion**

Any inquiry concerning this communication or earlier communications from the examiner should be directed to JAMES A. VEZERIS whose telephone number is (571)270-1580. The examiner can normally be reached on Monday- Friday 8:30am-5:00pm.

If attempts to reach the examiner by telephone are unsuccessful, the examiner's supervisor, James Kramer can be reached on 571-272-6803. The fax phone number for the organization where this application or proceeding is assigned is 571-273-8300.

Information regarding the status of an application may be obtained from the Patent Application Information Retrieval (PAIR) system. Status information for published applications may be obtained from either Private PAIR or Public PAIR. Status information for unpublished applications is available through Private PAIR only. For more information about the PAIR system, see <http://pair-direct.uspto.gov>. Should you have questions on access to the Private PAIR system, contact the Electronic Business Center (EBC) at 866-217-9197 (toll-free). If you would like assistance from a USPTO Customer Service Representative or access to the automated information system, call 800-786-9199 (IN USA OR CANADA) or 571-272-1000.

/James A. Kramer/  
Supervisory Patent Examiner, Art Unit 3693

/JAMES A VEZERIS/  
Examiner, Art Unit 3693

8/13/2010